Maine's Shelter Institute teaches DIY home building

(Continued from page 6)
framing, foundation repair and construction, blueprint reading, electrical and window installation. Alternative methods are taught so that students are aware of any options or peculiarities with his or her site limitations.

Patsy Hennin said alternative building techniques are taught to help preserve the natural lay of the land at the construction site and to help the students build energy-efficient homes.

"A basic tenet here is understanding the implications of your choices," Hennin said. "That's why we show houses that use less energy."

A key element in the training session, however, is to acquaint the students with major building products and tools. Students are taught lumber grades, how to distinguish the end uses for structural panels, and how to read grading stamps.

She said this makes the Institute's graduates good home center shoppers.

"When these people return to their home towns, the local home centers and lumberyards play a different role in their lives, I can tell you that."

Hennin said the program's graduates have included people fresh out of college as well as retired grandparents, and have come from all walks of life: A Virginia couple in their 70s, a New York divorcee who owned a piece of Vermont countryside, a housewife, a 72-year-old New Orleans woman who said she had never held a hammer, Japanese architects and bank loan officers.

Two-thirds of the Institute's graduates have built their own homes.

Index of Companies in This Issue

Ace Hardware 63
Ace Old Furniture 39,42
Aco Hardware 63
Aetna Insurance 106
Allen Lumber 39,40
Allied Products 190
Allwood 212
American Consumer Products 206
American Distributors 5
American Olean Tile 132
American Standard 5,211
American Tool 21,24,126,162
Ames Lawn and Garden 22
Ames Products 23
Andersons 94
Anderson Supply 7
Apex Supply 152
Arcade Printing 5
Arnold Lumber 121,122
Beaver Lumber 76
Bellspar Corp. 5
Belwith 211
Bennett Industries 170
Berson Development 108
Black & Decker 21,34,76,164
Bloomingdale's 92
Boise Cascade 190
Black & Decker 162,206,211,212
Blue Circle 213
Bonide Chemical 121
Brooks Brothers 92
Budget Building Supply 190
Mr. Build 186
Builders Discount 13
Builders Emporium 22,23
Builders Square . 6,16,42,76,92,106,118,126
Burkey Lumber 39
Butler Lumber 152
California Hardware 55
Canadian Tire 76
C&S Hardware 86,91
Carol Cable 134
Carter Lumber 92
Carter-Jones Lumber 94
Cedarburg Lumber 39
Cemaco 66
Central Builders Supply 63
Central Hardware 23,94,178,206
Channel 6,86,103,122,155
Cheesebrough Pond 60
Chevron 122
City Building 16,108
City Mill 83
Clark & Sons 63
Courtesy Home Centers 212
Clutters End 59
Coldwell Banker 190
Cologne International Trade Fairs 8
Community Home Supply 39,46
Conway Supply 41
L.G. Cook 5
Cotter & Co. 5,158
Chrysler Corp. 22
David Allison 211
Diamond Lumber 155
Dillistin 63
Dixieline 7,213
Douglas Lumber 155
Dow Chemical 13
Du Pont 164
Dutch Boy 6,134,212
Eagle Electric 134
Eclipse 5
84 Lumber 76,92
Ellsworth Building Supply 41
Emerson Electric 164
Emery Waterhouse 48,50
Emhart 106
Emet 6,178
Eveready 176
EZ Paintr 83
First Republic 5090
Fisher Auction 212
Crissey Fowler Lumber 63
Foxworth-Galbraith 22
Furrow Building Materials 94
GAF Chemical 68
General Building Co. 106
General Building Products 103
Georgia Gulf Corp. 211
Georgia Pacific 5,68,74,206,211
Gemal Building Supply 106
Glidden 16,134,212
Grieve Hardware 121
Grill Doctor 86
Grossman's 5,76,106,186,211
Hacienda 1
Hancock Lumber 118
Handy Andy 121
Handy Dan 213
Handyman 213
Harbor Sales 5
Hardware Hawaii 83
Hardware Wholesalers Inc. 22,63
Hartford Fire Insurance 106
Hartford Lumber 106,108
Hechinger 16,92,94,106,159,206
Hillside Lumber 118
Hilson 39,48,50,150
Hinckley Home Center 7,213
Hitachi Power Tools 176
HomeClub 42,68
Home Depot .1,6,16,76,86,118,126,148,159
Home Design Center 39
Home Improvement Warehouse 83
Mr. How 92,94
H_2Z Designers 108
Huffakers 211
Hughes-Bradley Supply 7
Hughes Supply 7
Hyponex 122
GB Inno BM 121
Intercapco 5
Interco 206
Ivey Lumber 86
Jeff City Distributors 5
JT's Home and Builders Center 146
Jural Mfg. 174
Just Closets 59
Kelso & Co. 211
Kilgo's 83
Kindt Lumber 39
King Cotton 176
Kirm-Rima 55
K mart 50,76,94,106
Knox 180
Lampert Lumber 1,213
R.M. Lamson & Sons 186
Lanoga 22
Lego Systems 16,108
Leviton 134
LLC Holding Co. 1
Lone Star 5,213
Louisianna-Pacific 42
Lowe's 86,144,155
Lucite 6
Lumbercore 39
Lumbermen's 22
Macklanburg-Duncan 23
Majestic Paint Centers 92
Major Building Products 103
Malibu 134
Management Horizons 92
Marshall Field's 92
Marvin Windows 164
Master Lock 23
McGuckin Hardware 212
Media Options 8
Meeks Building Supply 212
Meijers 94
Mid Cape 118,213
Midwest Jobbers 158
L. Miller & Sons 147
Mills & Lupton Supply 7
G.V. Moore Lumber 159
Mor-Flo Industries 206
MTD Products 174
Nassau-Suffolk 41
Nation Manufacturing 76
National Hardgoods 118
National Lumber 159,162,178
National Manufacturing 22
Neiman Reed's 1,147,212
Newhall Land and Farming 13
NHD Stores 206
PF O'Connor 108
Oldham Lumber 86,91
Olin Corp. 122
O'Malley's 180
One Stop Supply 7
Owens-Corning 68,70,74
Paint Factory 1,212
Paint Plus 1,212
Palmer and Palmer 5
Payless Cashways 86,92,94
Pay 'N Pak 1,16,178
Pearce Foster 212
Pence 170
J.C. Penney 86
Pennsylvania Lumbermen's Mutual Insurance 63
Perfect Gentleman 8
Pergament 122
Petersen Manufacturing Co. 24,190
Phister and Carlisle Atlantic 5
Plains Lumber 7,39,55
Ply-Gem 1
Ply Marts 59
Pool Doctor 122
J.A. Pope 190
Pratt & Lambert 212
Price Pfister 121
Proen Products 170
Quaker Industries 190
Real Estate Services 190
Red Devil 166
Rickel 103,106,122
Riley Lumber 106
Rosenblum, Goldenhersch, Silverstein and Zafft 5
Ryobi America 174
Safer 122
Sanford & Hawley 108
Saxon Paints 92
OM Scott & Sons 122
Scottys 6,150
Sears 70,74,76
Martin Senour 212
Service Electrical 7
ServiStar 180
Shelly & Fenstermacher 6
Sherwin Williams 212
Skil Corp. 31
Snap-On Tool 6,212
Somerville 118,146
Sonin 174
Southeastern Salvage 180
Space Options 59
SPA Steel 166
Spenard 22,118
Stanley Tools 155
Stanley Works 8,63,66,70,106,162
Strober 106
Styrofoam 13
Sutherland 86,92,94,180
Tech/Ops Landauer 176
Tool King 5
Travellers 106
Tri-Boro Lumber 152
Tri-State 7
True Value 55,86
Union Fork and Hoe 170
Universal Paint 212
Valli Advisory Group 159
Washburn Lawn and Garden 121
Waxman 8,206
West Building Materials 1,121
Westcorp. 213
West Enterprises 213
West Equipment 213
Westlake Hardware 5,213
West Lumber 1,213
West Side Hardware 152
Whittier Wood Products 23
Wickes Lumber 83
Williams Brothers 159,213
Williams Sonoma 59
Window Works 60
Wing Industries 86
Woolworth 83
Wooster Brush 22
Yardbirds Electric & Plumbing 162
Zayre 50

National Home Center News (ISSN 0192-6772) is published biweekly, every other Monday, 26 times a year, beginning with the second Monday in January; by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscriptions are available at no charge to qualified retailers and wholesalers of lumber and building supplies and hardware. Paid subscriptions are available to nonqualifying retailers, manufacturers, other wholesalers, schools, libraries and all others at the rate of $45 per year (26 issues); $54 to Canada. Foreign subscription: Airmail only, $195 per year. U.S. group rates are also available: (prices are per year), 1 to 4 copies, $45; 5 to 39, $41; 40 or more, $37. Single copy rate is $2 except two May issues, first June issue (Annual Census) and first July issue (Consumer Attitude Study), $20 each. Due to the late receipt of several advertisements, there is a break in folio between pages 128 and 131 in this issue.

Second class postage paid at New York, N.Y., and additional mailing offices. Vol. 14, No. 16, Copyright© 1988 by Lebhar-Friedman Inc. All rights reserved. Postmaster: Please send address changes to Subscription Dept., National Home Center News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. For change of address six weeks is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 14, No. 16 August 8, 1988

When parents come to you with special project needs,

be ready.

Sunset Books

80 Willow Road, Menlo Park, CA 94025-3691
800-227-7346 or in California 800-321-0372

Circle 163 on Reader Service Card

Index of Advertisers

Allegretti 158,159
American Lock 212,213
American Tack 49
Ametek 13
Apex Mfg. 139
Arrow Fastener 38
Bemis Mfg. 101,171
Beneficial Finance 70
Black & Decker 61
Borden Home Wallcoverings 66
Brainerd Mfg. 190,192,194,196
Carlon 93
Cendal Industrial 142
Center Mfg. 28
CertainTeed 148,149
Chevron Chemical 122
Ching Fay 139
China Economic News Service 140
China External Trade Council 135
Cole Sewell 8
Coleman 42
Colorite Plastics 67
Cooper Group 46
Crawford Products 28
Croft Metals 15
Deft 94
Delta 87-90
Desa International 126
Design House 215
Dexter Lock 211
DG Mouldings 156,157
Diamond F 116,117
Domtar Gypsum 56,57
Duraco 175
Dutch Boy .....163 A-D
Dyna/Energx 133
Eagle Electric 107
E.L. Mustee 174
Emco 168,169
Emerson Builder Products 55
Emhart 25
Ether International 140
Evans Rule 35,36,37
Eveready Battery 182
Flecto 74
Fluidmaster 109
Forman Industries 170
Franklin Brass 102
Garden America 51-54
Gemini Industries 78
General Electric Silicon 164
General Electric Lighting 188,189
General Marble 75
Genova 216
Georgia Marble 115
Georgia-Pacific 72,73
Gerard Metal 118
Gibson Homans 58
Glidden 156,157
Golden Dragon Iron Works 139
Gong Maw 141
Goodhouse 139
Graber Industries 40,41
Grant Wilson 190
GTE Sylvania 160
Handy Store Fixtures 62
Heath Zenith 108
Hope Industrial 136
Hunter 119
Index Measuring Tape 136
Innovative Controls 172,173
Intermetro Industries 77
Joy Chief Hardware 139
Jural Mfg. 55
JYH Kwang 141
Keller Industries 200
Kelley Mfg. 152
Kenney Window Fashions 184
Keystone Franklin 177
Keystone Steel & Wire 71
Khoury 14
King Snaps 136
Klean Strip 47
Knauf Fiberglass 13
Koos 14
Lane Publications 191,214
Lea Way 137
Lenape Products 143
Leviton Mfg. 193
Lights of America 153
Loctite 69
Louisiana-Pacific 104,105
Lumberlok 211
Macco Adhesives 192
Makita U.S.A. 123
Manville 64,65
McCulloch 111-114
Melnor Industries 150
Merillat 152
Mold Master Mfg. 141
Myro 34,195
National Mfg. 124,125
National Store Fixtures 8
Newborn Bros. 13,211
Ohio Sealants 166
Olin Chemical 187
Olympia Industrial 103
Olympic Homecare 44,45
Oregon Research & Development 29,30
Owens-Corning 96,97
Panasonic 95
Panasonic Industrial 127,128
Pool Doctor 151
Price Pfister 165
Pryde 166
Ralph Friedland & Bros. 28
Rite-Craft 139
Schlage Lock 26,27
Security Products 164,166
Sentry Group 8
Sequentia 8
Sheng Wei Rubber 138
Shyang Feng Electric 141
Sigma Tool 138
Sin Sheng Terminal & Machine 136
Skil 167
Spa Faucet 100
Square D 154
Stanley Door 110
Stencil Ease 186
Sturdi-Craft 81
Sunny Wood 19
Supreme Lighting 18
Swain Industries 136
Synchro 139
Taiwan San Tyau 136
Tech O.E.M. 136
Titan Sales 194
Toford Plastic Mfg. 136
Transworld Products 196
Tri-Arc Mfg. 162
UAP 120
Unipack 138
United Steel Products 99
Universal Rundle 197
W.W. Henry 60
Warp Bros. 48
Waxman Industries 32,33
Weathashade 43
Weiser Lock 17
Weyerhaeuser Paneling 2,3,4
Weyerhaeuser Garden 181
Weyerhaeuser Wood 13
Whittier Wood 14
WHS Sales 146,147
WR Bonsal 68
Yankin-Majestic 76
Z-Brick 50

This index has been compiled for the convenience of our advertisers and readers. While every precaution is taken to prevent mistakes, the publishers cannot be held responsible for errors or omissions.

C5150-6
8/26/88
00257757C
MS JEANNE LONG
CONGRESSIONAL INFORMATIO IH6
4520 EAST-WEST HIGHWAY/STE 80
BETHESDA MD 20814
HC

National
Home Center News

Vol. 14, No. 17 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. August 22, 1988

A craftsman carves a squirrel out of a log at the International Lawn, Garden and Power Equipment Expo. NHCN photo

Weather dominates talk at Lawn & Garden Expo

By Tom Bagsarian

LOUISVILLE, Ky. — Many lawn and garden dealers were having their best year ever—until June. Then sales dried up with the drought, leaving dealers hoping for a wet fall and manufacturers cutting back next year's production levels in anticipation of inventory being held over.

The only clear beneficiaries of the drought may be consumers who purchase power equipment next spring, when excess inventory could result in deep discounts.

These conclusions emerged from last month's International Lawn, Garden and Power Equipment Expo here, in its fifth year, where the weather seemed as big a topic of conversation as the newest products and the best deals.

For example, Burke's Lawn and Garden Equipment in Valparaiso, Ind., had its best sales ever in April and May. Then the drought hit and "and it was just like someone put

(Continued on page 66)

Sequoia signs intent letter for merger with Grip-Rite

By Brad Altman

IRVINE, Calif. — Sequoia Supply, the building materials distributor based here, has signed a letter of intent to merge with the Grip-Rite Group, a White Plains, N.Y., wholesaler.

The combined company, with annual sales of about $425 million, would become the nation's largest independent (nonmanufacturing) distributor of building materials.

Arrangement of financing and a definitive agreement are expected to be reached by late October. Terms are not being disclosed.

Paul W. Hylbert, Sequoia Supply's ceo, and Marvin E. Miller, president of Grip-Rite, said the two companies would complement each other if combined. Grip-Rite specializes in nails and other metal products but also does substantial volume in building materials, which is Sequoia Supply's main focus.

Grip-Rite now has 10 wholesale distribution centers serving 20 states. Sales were approximately $150 million in 1987.

Sequoia Supply operates 33 distribution centers in 30 states and has annual sales of $275 million.

The combined company would have about 1,000 em-

(Continued on page 66)

Payless details first cost-cutting measures to reduce buyout debt

By Gary S. Ruderman

KANSAS CITY, Mo. — Hours after the close of business August 3, the boom at the new Payless Cashways was lowered on more than 300 store employees in Columbus, Ohio.

In meetings with regional personnel managers August 3 and 4, employees were told Payless' four Furrow Building Centers here would be closed September 15. Personnel managers were in Columbus the week of August 8 to offer relocations "if positions are open," an employee told *NHCN*.

Knox Lumber curtails expansion due to Payless LBO Page 3

The meetings and store closings coincided with a senior level management reorganization at Payless, eliminating a number of vice presidents and placing more power in the hands of senior vp-marketing and merchandising Dale Pond through the inauguration of new vp posts in merchandising.

It is also the first response Payless is making to cut expenses to help pay its first-year debt service which, according to SEC documents, will be $144 million.

As employees in six markets got the word of store clos-

(Continued on page 65)

Home center chains eyeing Bradlees' sites

By Elizabeth Brent

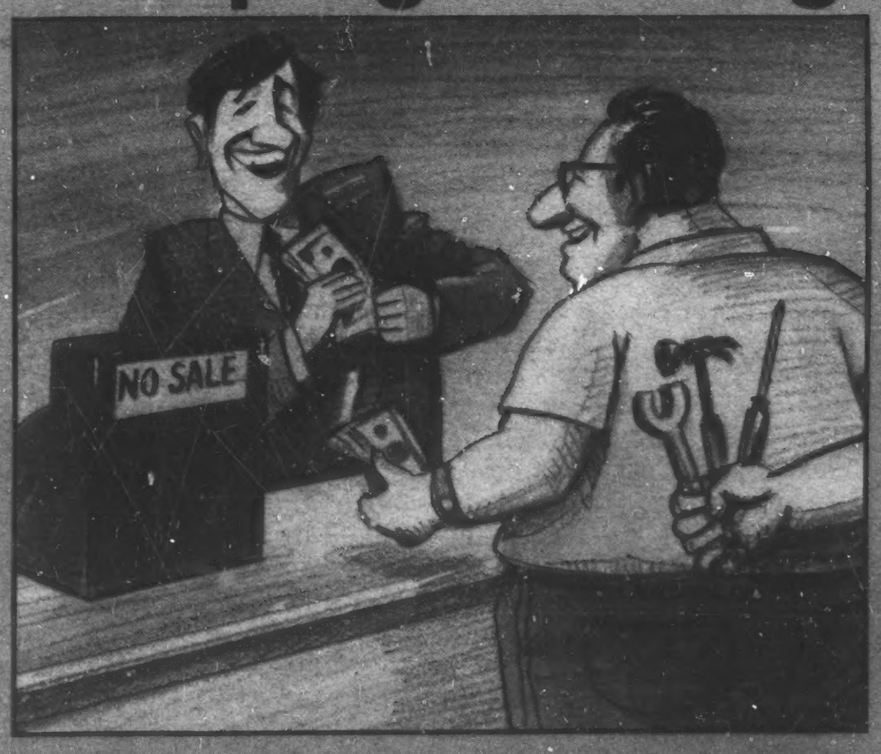
NATIONAL REPORT — A number of home improvement chains have shown interest in the 58 Bradlees stores recently put up for sale by its parent Stop and Shop, the Braintree, Mass., retailer.

The Atlanta-based Home Depot is one chain that has looked at several Bradlees locations, according to its president Arthur Blank. However, Blank declined to comment on whether his company had bid for any of the sites.

A recent article by *Womens Wear Daily*, reported that Hechinger has also made a bid for sites, but gave no attribu-

(Continued on page 65)

New programs target shrinkage problem



By an NHCN staff editor

NATIONAL REPORT — O'Malley's, the Phoenix-based dealer, has sent out an SOS in its fight against in-store theft.

The signal, though, is not one of alarm but employee participation. Its "Stamp Out Shrinkage" employee incentive program pays workers a percentage of the amount of money they save the company by reporting a shoplifter or a mismarked item.

Training employees to be alert for thieves appears to be the cornerstone of most dealers' loss prevention programs, and it has been effective in limiting shrinkage for several major chains.

"Shoplifting only occurs when you're not doing what you're supposed to do," said Joseph Galvin, assistant vp-loss prevention at Channel Home Centers, the 180-unit chain based in Whippany, N.J. "A well-educated, well-informed employee" is the best deterrent, he added.

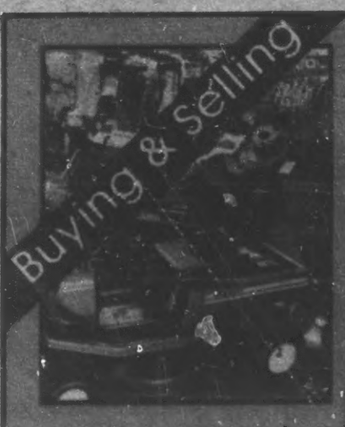
Shrinkage remains a major irritant for most dealers, and cuts into business to the tune of $20 million to $30 million annually, or 1.5 percent to 2 percent of total retail sales, according to Coopers & Lybrand, the accounting firm which has

(Continued on page 65)

INSIDE

Marketing to Hispanics: Home centers miss a sizable market 17

Dixieline caters to Hispanics on their own terms 19



Outdoor power equipment firms move to thwart Japanese 41

Wallcoverings cash in on export market 41

NEWSBREAKS

IMPORTER HITS MAKITA WITH $22.8 MILLION SUIT: Trade Associates Inc., a Seattle-based cordless and air tool firm, filed an unfair competition suit August 10 in U.S. District Court here alleging Makita U.S.A. and affiliated companies mislabeled products to mislead U.S. consumers and other charges.

SECOND ILLINOIS UNIT FOR MENARDS: The Eau Claire, Wis.-based chain expects its store in Champaign, Ill., will debut next month, bringing its total to 40.

INDUSTRY UPDATE

Philips spins off new division

NEW YORK — N.V. Philips, the Dutch electronics manufacturer, has split its U.S. operations to create a new company, Consolidated Electronics Industries Corp., effective Sept. 1.

This will merge a number of North American Philips Corporation's businesses, including Genie Company, which makes garage door openers. The new company, with estimated sales of $1 billion, will be a wholly owned subsidiary of North American Philips (NAPC). Cees Bruynes, currently chairman and president of NAPC, will be its new chairman and ceo.

Gerrit Jeelof will succeed Bruynes and will continue as executive vp and vice chairman of the parent company.

HomeClub opens 1st Ariz. store

GLENDALE, Ariz. — HomeClub has set Sept. 1 as the grand opening date of its first Arizona warehouse, a 103,000-square-foot unit located in this city on the western border of Phoenix.

The Phoenix metro area has been described by industry officials as a "microcosm" of the home center industry. The market pie is divided among such major DIY players as The Home Depot, Payless Cashways, Wickes-owned Ole's, local-independent O'Malley and now HomeClub.

In a related development, the Fullerton, Calif.-based chain scheduled an Aug. 25 debut of its first unit in eastern Washington, a 101,000-square-foot outlet in Spokane. HomeClub now has four units in Washington state.

Ernst chooses Calif. ad agency

SEATTLE — Ernst Home & Nursery has chosen La Jolla, Calif.-based advertising agency Kenneth C. Smith & Associates to handle its $2.8 million broadcast account.

Kenneth C. Smith & Associates replaces Stanton Bondo & Co., the Seattle-based advertising firm that resigned the account in May, said Monty Reese, Ernst senior vp-advertising/marketing (*NHCN*, June 13).

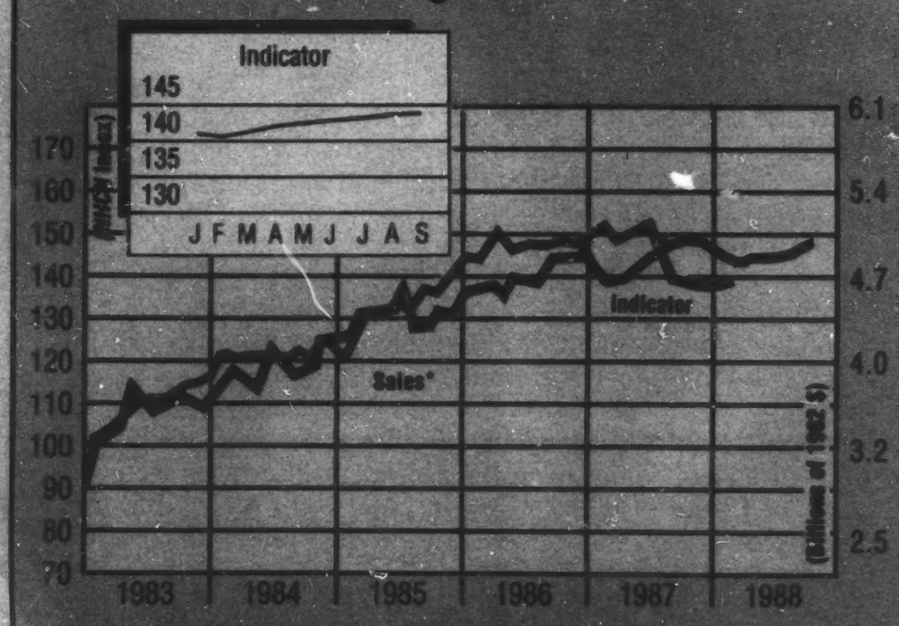
Ernst has brought its media buying function in-house with the recruitment of Carol Best from the Elgin Syford Agency in Seattle as media marketing manager.

Sutherland to close Colo. unit

COLORADO SPRINGS, Colo. — Sutherland Lumber is liquidating the inventory at its store here and plans to close it once the remaining merchandise is sold, ending a 20-year presence in this market.

A company official said the shutdown decision was made because of a combination of factors. They included worsening traffic count because of a local construction industry slump, increased DIY competition from new market players such as HomeClub and a traffic-flow problem making it difficult for vehicles to enter and exit the facility.

NHCN Leading Sales Indicator



*—Monthly retail trade building materials, hardware and supplies in (1982 $).

Indicator—represents an estimate of future building material retail sales (adjusted for inflation) relative to Jan. 1980, based on current levels of housing starts and resales, personal income, interest rates and related data.

The NHCN Leading Indicator is pointing to a small gain in building materials sales in the summer due to improvements in resales and incomes. The Business Watch column (page 53) highlights the outlook for the Pacific region, the fastest growth market in 1988.

For editorial, advertising or subscription information call NHCN's main offices at:

212-371-9400

EDITORIAL: EXT. 229

SALES: EXT. 236

SUBSCRIPTION: EXT. 379 or 419

Available for calls: 9-5:30 (E.S.T.)

Pay 'N Pak reports gross margin down while ad expenses rise

By Brad Altman

KENT, Wash. — Pay 'N Pak reported a decline in its gross margin and an increase in advertising expenses in the first quarter, when it lost $269,000.

Pay 'N Pak's gross margin was 36.1 percent in the quarter ended May 31, down from 38.7 percent in its prior quarter (fourth-quarter fiscal 1988), according to an SEC Form 10-Q.

The filing said Pay 'N Pak's selling and administrative expenses as a percentage of sales for the quarter increased to 31.1 percent from 28.2 percent.

The deterioration in the gross margin was "principally due to special promotional pricing in certain markets which ended June 30, 1988," the document said. The increase in expenses "resulted principally from an increase in advertising costs due to the special promotional activity."

Asked by *NHCN* if Pay 'N Pak (now corporately called PNP Prime) would match or exceed the $12.6 million earnings for the fiscal year ended Feb. 29, a company official said, "It won't."

This same official also noted that the first-quarter loss was attributable as well to a one-time charge of $1.38 million, which was a loan repayment penalty.

Heerensperger nets $11 million in buyout
See page 60

Pay 'N Pak's goal is to service the debt burden created in a leveraged buyout by the company's management. The company has $254.2 million in long-term debt compared with $62.7 million it had in May 1987.

The quarterly results—the first loss in the company's history—"are not indicative of the registrant's future operating results or financial condition," the company said.

In the first quarter, for instance, Pay 'N Pak's growth as judged by sales volume was healthy. The company reported sales of $127.9 million, an increase of 10.9 percent from the comparable period in 1987.

"The increase in sales is offset by the lower margin and higher advertising expense caused by the special promotional activity during the quarter," the 10-Q filing said.

Pay 'N Pak went private earlier this year in a buyout orchestrated by company chairman and ceo, David J. Heerensperger.

In June, to finance the buyout, Pay 'N Pak issued $110 million of 13½ percent senior subordinated debentures due June 1, 1998, to repay notes and loans.

Pay 'N Pak's sales increased by almost 8 percent to $429 million for its fiscal year ended Feb. 29.

Western association recruits members of Ariz. counterpart

By an NHCN staff editor

ENGLEWOOD, Colo. — The Mountain States Lumber and Building Material Dealers Association (MSLBMDA) is beginning to recruit members from the former Arizona Lumber and Building Supply Association (ALBSA), following the dissolution of the latter group.

The ALBSA, following years of administrative and financial troubles, voted to disband and disincorporate May 14 in Phoenix as one of the last acts at its final state convention.

With the dissolution, the MSLBMDA began a campaign to recruit the 179 individuals and firms comprising the former association's membership.

Companies that already paid the former organization's full-year membership dues are being granted full membership privileges in the MSLBMDA for the balance of 1988. At the same time, the MSLBMDA is amending its bylaws to allow for two representatives from Arizona to serve on the 15-member regional board of directors.

The MSLBMDA may have a little competition for the Arizona dealers' membership. A former member of the Arizona group said many of his colleagues are more interested in joining the Lumber Association of Southern California, which is also an affiliate member of the National Lumber and Building Material Dealers Association.

Former Eclipse execs join new firms

By an NHCN staff editor

ST. LOUIS — Two senior executives of Missouri-based Eclipse Industries who sided with the majority stockholder in a power struggle there have left to assume new positions in other companies.

Richard Daner, former executive vp of St. Louis-based Eclipse, was named chief operating officer of Evans Paint, Roanoke, Va. Robert Roy, former cfo and vp-stores for the five-unit Eclipse, is now a Spartanburg, S.C., store manager with West Building Materials, the Atlanta-based chain. Roy was an administrative vp at Evans Products' Moore's division.

Both Roy and Daner were short-term employees of Navarro & Associates, Dallas. The two worked in unnamed capacities for Navarro, who gained an 80 percent interest in Eclipse back in March. The two men allegedly were locked out of their Eclipse offices June 9 in a battle over control of the privately held chain.

In court papers filed this summer, Navarro & Associates' president Don Navarro was poised to remove Eclipse chairman and founder Steve Feinstein and replace him with Daner. The move was foiled by Feinstein.

Daner, at Evans, will head the private- and Evans-labeled paint company owned by Miami-based APL Inc., a holding company of Victor Posner who once headed the Evans Products empire.

NHCN photo

Robert Roy, former cfo and vp-stores for Eclipse, has joined West Building Materials.

INDEX

Advertisers Index 66
Classified 57-59
Company Index 66
Editorial 12

Perspectives 17
Cover Story 18
Independents 32
Regional News 30
Systems & Operations 37,38
Wholesalers 40

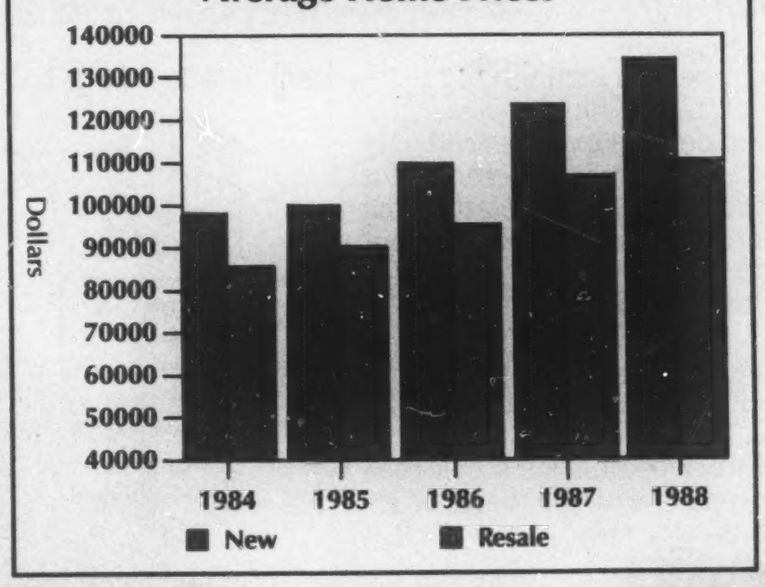
Buying & Selling 41
Building Materials 51
Merchandising 41
Merchandising Digest 48
New Products 49

Business Watch 53
Financial News 60
Stocks 54

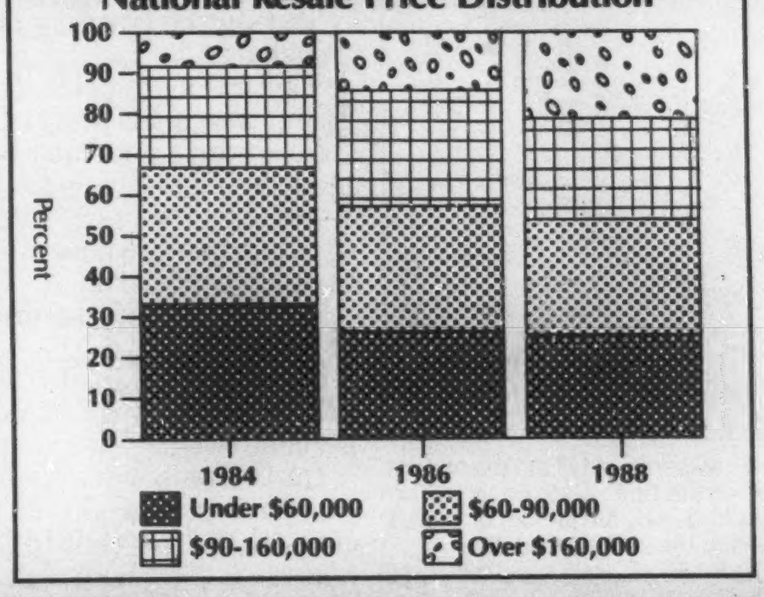
Business Watch

Section 4

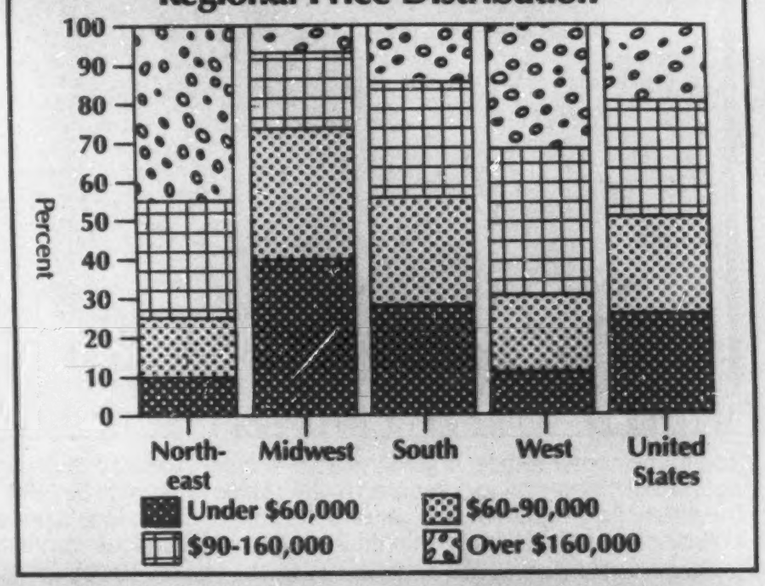
While resale prices lag behind new home prices . . .



. . .there is a strong increase in the over $160,000 . . .



. . .and sharp regional differences.



Strength in resales boosts outlook for building materials

By Richard E. Mount
Special to NHCN

Recent strength in resales suggests a stronger year for building material sales this year.

Resales have shown themselves to be the best indicator of future retail building material demand. Resales increased 5.3 percent in June to 3.78 million units, their fifth consecutive monthly increase. The *NHCN* Leading Indicator is now calling for a more robust third and fourth quarter than originally thought.

We have therefore changed the 1988 forecast for retail building material sales to an 8.1 percent gain, up from a previous 5.6 percent. Adjusted for inflation, the rise will be 5.2 percent.

Richard E. Mount

Resales should remain strong this year and next, despite declines in housing starts and new home sales, keeping retail building material sales strong.

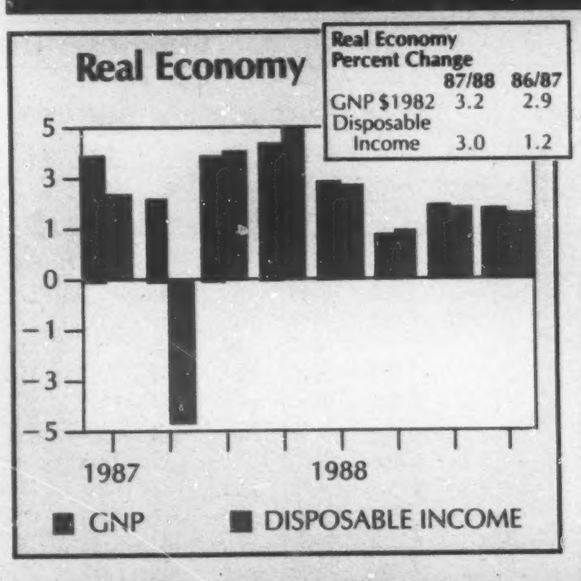
The major reason we expect resales to be stronger than new home sales is the wide gap in prices. Today's average new home price is $135,900, up 39 percent from 1984. Resale prices, on the other hand, are currently $112,100, 17 percent less than today's new home price, but still 30 percent above their 1984 level.

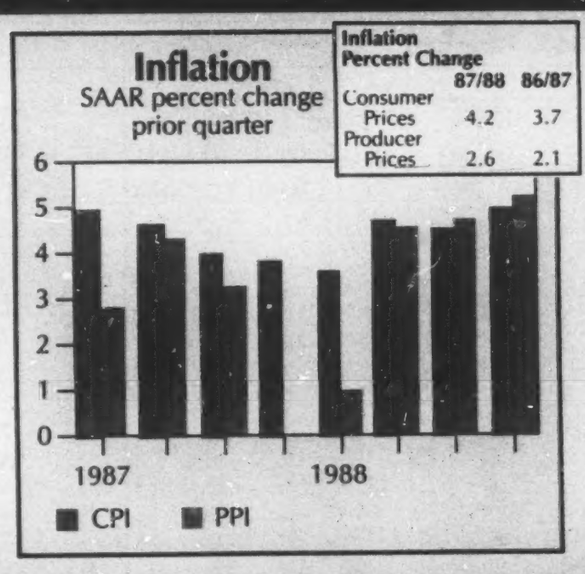
The distribution of prices varies dramatically across the nation. In the Northeast, where land acquisition prices for builders are high, more than 44 percent of resales are above $160,000 and less than one quarter below $90,000. The average price—at $157,800—is the highest in the nation.

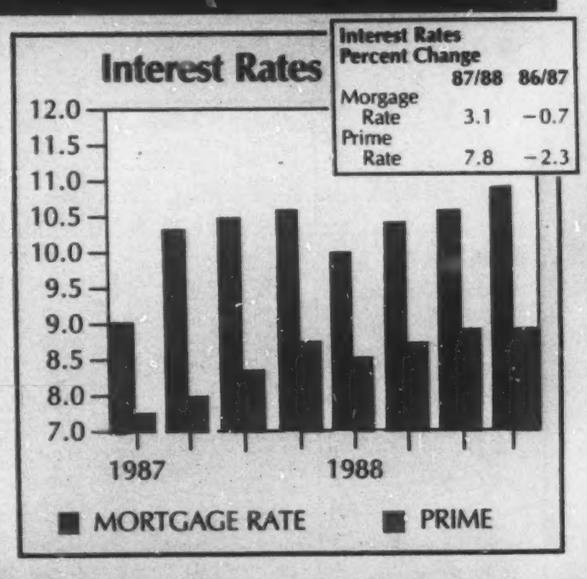
This contrasts with the Midwest, where only 6 percent are high priced and 74 percent low. The South is the closest to the national average, although only 14 percent of its homes are priced above $160,000. The West is the second highest-priced resale market, with an average price of $144,100. About 34 percent of homes are above $160,000 in this region.

Richard Mount is president and chief economist with Mount Economic Consulting.

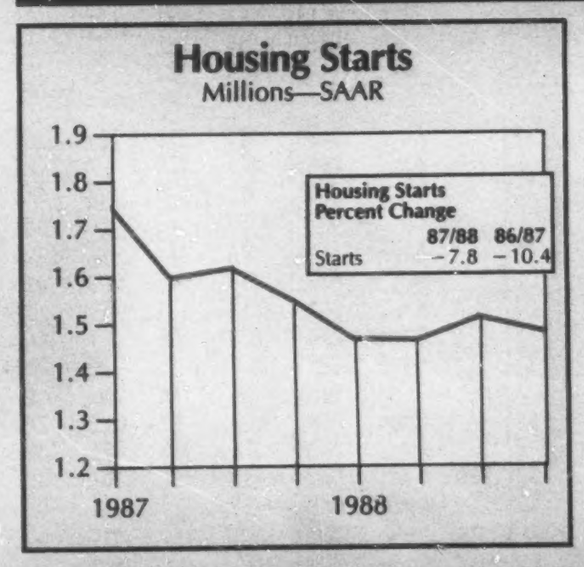
General Business Conditions

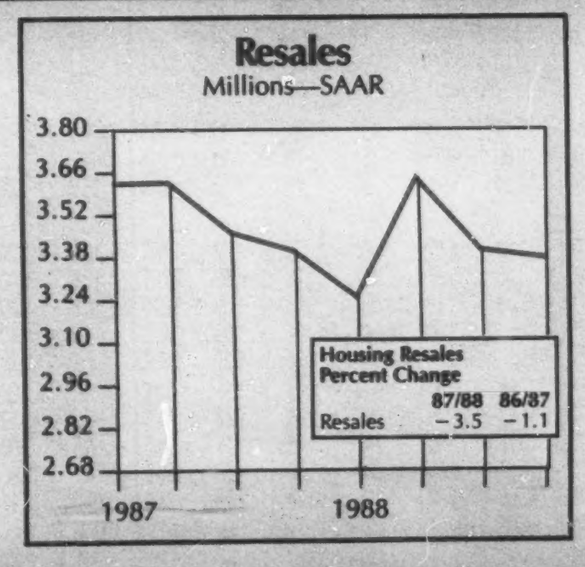


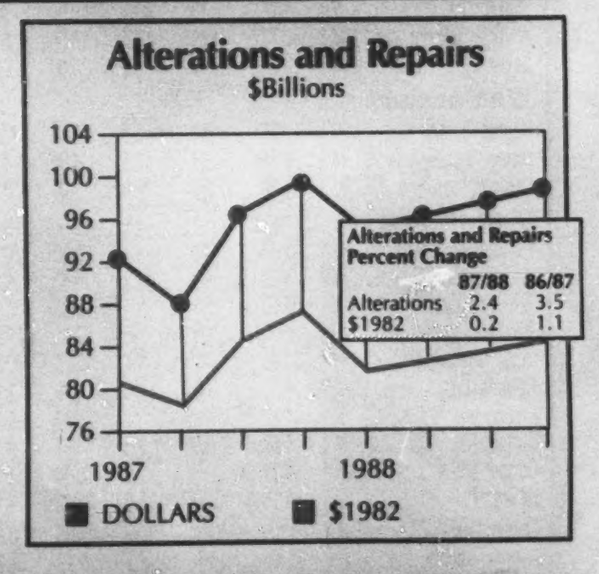




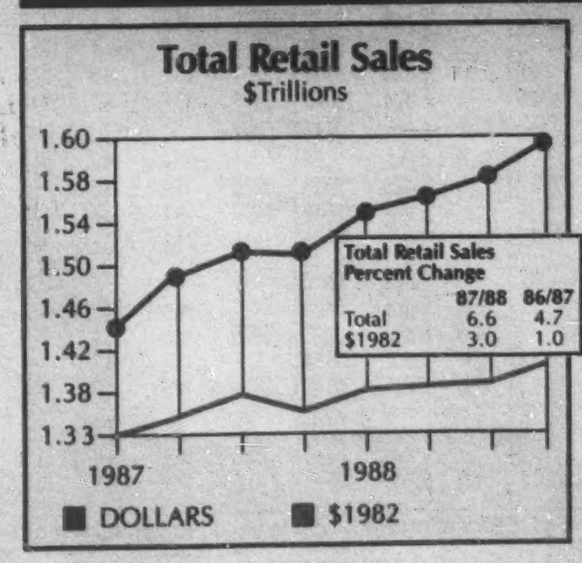
Housing

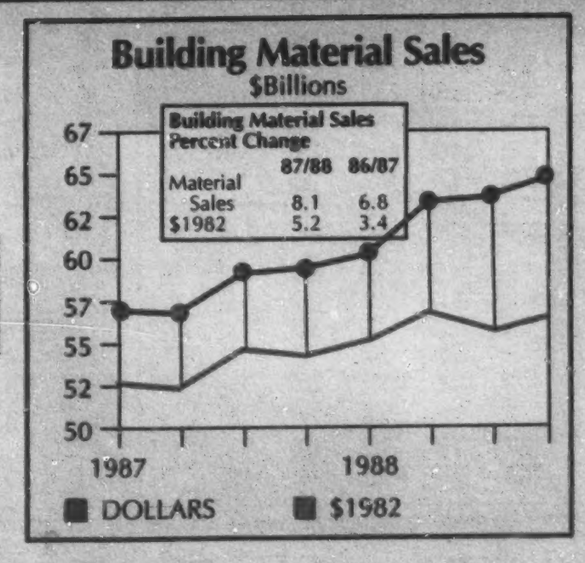


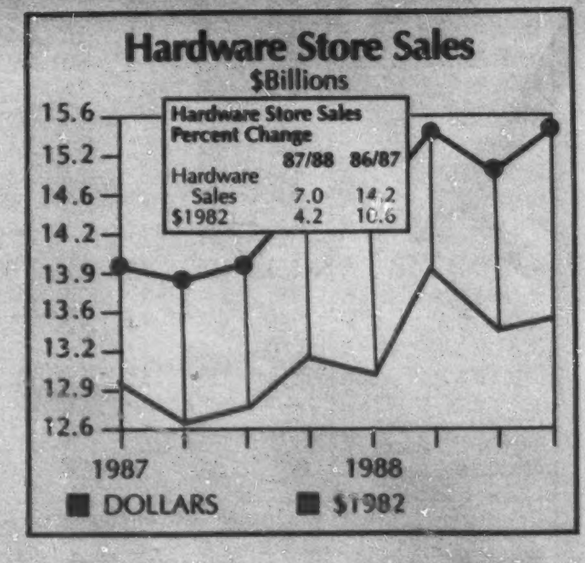




Retail Trade Activity







Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales. The *NHCN* Leading Indicator runs every issue on page 5.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart